

### **REMARKS/ARGUMENTS**

Claims 2-9, 12-26 and 28-30 are currently pending in the application. Claims 2-9, 12-26 and 28-30 were rejected in the Office Action mailed February 19, 2009 (hereinafter referred to as "Office Action").

Applicant hereby requests a two month extension of time to respond to the Office Action until July 19, 2009. Since this date falls on Sunday, this paper is timely filed Monday, July 20, 2009. This response is being filed with a credit card authorization to pay the required fees. The Commissioner is hereby authorized to charge any additional fees, or credit any refunds, to Chalker Flores, LLP's Deposit Account No. 50-4863.

In view of the following remarks and amendments, applicant respectfully requests a timely Notice of Allowance be issued in this case.

#### ***Claim Rejections under 35 U.S.C. § 112***

The Office Action rejected claims 24-26 and 28-30 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. More specifically, the Office Action stated that the "Examiner is unable to locate paragraphs 64 and 66 in the originally filed disclosure; furthermore Examiner is unable to locate the sections that support the amendments." (page 3, lines 6-8). Applicant respectfully submits that the references to paragraphs 64 and 66 referred to the published patent application US 2004/0039604 and those paragraphs correspond to paragraphs 41 and 43, respectively, in the originally filed disclosure.

Moreover, applicant respectfully submits that those paragraphs support the previously filed amendment "wherein one of the incentives includes paying a portion of each received membership fee into a multi-level marketing matrix" to claims 24-26 and 28-30:

[0041] . . . The system 400 may include charging a membership fee to the PPO Busters members 402, 408, 410, 412, 414 and 416 much of which may be paid into a MLM marketing network or matrix, so that members that wish, can build substantial new businesses that can provide for their long term financial security. A portion of the membership fee may also be paid to PPO BUSTERS. . . .

[0043] . . . A premium listing 308 may cost the medical service/good provider 302, e.g., \$500.00 per year, much of which may be paid into a MLM marketing matrix. . . . One of the faster ways to build a medical providers network would be to compensate the medical service/good

providers 302 who share the PPO BUSTERS program with other medical service/good providers 418, 420, 422, 424 and 426 that also face the same problem PPO problems and have a common goal of regaining their practices. With a reoccurring \$500.00 listing fee, the MLM compensation side of the model for a medical service/good provider 302 will not be something that will be easily dismissed. . . .

As a result, applicant respectfully submits that claims 24-26 and 28-30, as amended, are not indefinite and are, therefore, allowable under 35 U.S.C. § 112. Applicant respectfully requests reconsideration and withdrawal of the rejections under 35 U.S.C. § 112.

### ***Claim Rejections under 35 U.S.C. § 101***

The Office Action rejected claims 24-25 and 28-29 under 35 U.S.C. § 101 because the claims “recite an abstract idea only.” (page 4, line 10). Claims 24-25 and 28-29 have been amended to recite that the methods and computer programs are implemented using a server and one or more storage devices. As a result, applicant respectfully submits that claims 24-25 and 28-29, as amended, recite statutory subject matter and are, therefore, allowable under 35 U.S.C. § 101. Applicant respectfully requests reconsideration and withdrawal of the rejections under 35 U.S.C. § 101.

### ***Claim Rejections under 35 U.S.C. § 103(a)***

Claims 24, 2-10 and 28 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Care Entrée (<http://web.archive.org/web/200102025005600/careentree.com>, 2001) in view of Lipton, et al. (“Pharmacy benefit management companies: Dimensions of performance,” Annual Review of Public Health, Palo Alto: 1999, Vol. 20, p. 361), further in view of Goch (“A New Card Deal.” Best’s Review, Oldwick: July 2002, Vol. 103 (3) p. 73). Claims 11-23, 25-26 and 29-30 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Care Entrée in view of Lipton and Goch as applied to claim 24 above, and further in view of Ferguson, et al. (U.S. Patent No. 5,819,092). Applicant respectfully submits that claims 2-9, 12-26 and 28-30, as amended, are patentable over the cited references for at least the reasons described below.

### ***Response to Arguments***

The Office Action indicated that “there is no description of the incentives including paying a portion of the received membership fee into a multi-level marketing matrix.” (page 19, lines 11-12). As described above in reference to the Section 112

rejections, applicant respectfully submits that paragraphs 41 and 43 of the originally filed disclosure describe that one of the incentives includes paying a portion of each received membership fee into a multi-level marketing matrix. As a result, the prior amendments to claims 24-26 and 28-30 are supported by the specification and provide a patentable distinction over the cited references.

In addition, the Office Action stated that “the cited references teaches that the fees paid by the members are paid to the network providers or the doctors (i.e., multi-level marketing matrix).” (page 19, lines 13-14). As will be further described below, applicant respectfully submits that the fees, or any part of the fees, paid to join the Care Entrée program are not distributed to the doctors or other members as an incentive. Moreover, applicant respectfully submits that the Care Entrée does not use the term “multi-level marketing matrix” or otherwise disclose, teach, or suggest the use a multi-level marketing matrix.

#### ***Claims 24-26 and 28-30***

Applicant respectfully submits that claims 24-26 and 28-30 are allowable under 35 U.S.C. § 103(a) because the cited references do not disclose, teach or suggest all of the element recited in claims 24-26 and 28-30 for at least the following reasons.

The Office Action stated that the Care Entrée program teaches a method to “participate via incentives within a member multi-level marketing network, wherein one of the incentives includes paying a portion of each received membership fee into a multi-level marketing matrix.” (page 5, line 19-page 6, line 2). Applicant respectfully submits that the cited portions of Care Entrée (page 2, paragraphs 8-9; page 11, paragraphs 61-64) do not disclose, teach or suggest the recited incentives or multi-level marketing matrix:

There used to be a simpler time when doctors and patients had a private relationship. The doctors made house calls, and the patients made payment arrangements. With the advent of the Baby Boomers, this system was stretched to its limits, and insurance for healthcare was born. With the ever-increasing healthcare cost, the insurance companies saw a need to maximize profits; therefore the PPO networks were created.

These networks referred patients to the doctors, while the doctors furnished drastic savings of up to 80% on their services to the networks. By contracting these very same networks, Care Entrée passes the same savings on to our members, ensuring a the lowest possible price on all your healthcare needs.

The Power Program combines all services, with the exception of long-term care. This includes access to savings on doctors, hospitals, dentist, prescription drugs, vision products, chiropractic and alternative care, the 24-hour nurse hotline, Air Ambulance Services, as well as legal and veterinary services for a cost for an entire family of \$40 per month. Access to the long-term care network can be

substituted for the medical network or can be added for an additional \$10 per month.

The Basic Program includes all the services of the major PPO (Hospitals, doctors and ancillary providers) for a cost of \$20 per month per family. The Supplemental Program includes the savings on pharmacy, dental, vision, hearing, and chiropractic networks, as well as access to the 24-hour health hotline. The cost is also \$20 per family.

The Senior Card includes nursing homes, assisted living facilities, in-home healthcare, homemaker service, personal and respite care, hospice care, Alzheimer's and specialty care. It also includes savings on vision care, hearing aids and prescription drugs for only \$16.95 for the member and his or her spouse. Dental access can be added for an additional \$5.00 per month.

There are no age restrictions on this program. There is a one time \$20.00 nonrefundable enrollment fee.

To talk with a Representative or receive an Info Pack, please select the option from the drop down list below which applies to you:

These portions of Care Entrée only disclose the payment of a fee by the member to join the program. There is no mention of what Care Entrée does with the membership fee. In addition, there is no mention of incentives or a multi-level marketing matrix. Moreover, applicant respectfully submits that the terms "incentive" and "multi-level marketing matrix" are not used in Care Entrée. As a result, applicant respectfully submits that Care Entrée does not disclose, teach or suggest "participate via incentives within a provider multi-level marketing network, wherein one of the incentives comprises paying a portion of each received membership fee into a multi-level marketing matrix" as recited in claims 24-26 (members form the multi-level marketing matrix) and 28-30 (medical service/good providers form the multi-level marketing matrix).

The Office Action also stated that the Care Entrée program teaches "providing a discount price list . . . to the member." (page 6, lines 2-5). Applicant respectfully submits that the cited portion of Care Entrée (page 8, paragraph 41) does not disclose, teach or suggest providing a discount price list to the member:

A directory with the most commonly used providers in your area, plus member ID cards, are made available when you become a member. Should you need a specialist or hospital, simply call our toll free number and our Member Services Department will locate the specialist nearest you.

This portion of Care Entrée only discloses a directory of providers. There is no mention of any discount price list. The only portion of Care Entrée that lists any prices for services is on page 9, paragraph 47 (emphasis added):

Prices may vary from one geographical location to another, **but on an average the following examples are what you can expect.**

- Comprehensive Oral Exam: \$ 10.00
- X-rays-Bitewing-Single Film: \$ 5.00
- Teeth Cleaning: \$ 21.00
- Crown Porcelain Fused to High Noble Metal: \$352.00
- Root Canal-Bicuspid (Excluding Final Restoration): \$215.00
- Complete Denture Maxillary: \$398.00
- Comprehensive Orthodontic Treatment of the Adolescent Dentition (In most states, price may vary): \$1990.00

Applicant respectfully submits that this portion of Care Entrée is merely advertising. The rates for specific medical providers are not shown. A geographic area is not identified. Moreover, there is no indication that each member can access the prices of various medical providers in any given area. As a result, applicant respectfully submits that this portion of Care Entrée does not disclose, teach or suggest a "discount price list comprises published rates for the services/goods provided by each medical service/good provider within two or more geographic areas and each member can only access the published rates for the geographic area associated with the member" as recited in claims 24-26 and 28-30.

The Office Action stated "Care Entrée program does not teach a method that regulates the cost of services/goods provided to the members by the medical service/good provider such that the members pay the medical service/good providers in-full directly for any services/goods rendered to the members based on the discount price list, and wherein the medical service/good provider listing comprises basic listings and premium listings for the medical service/good providers." (page 6, lines 6-10). Applicant agrees.

The Office Action indicated that Lipton cures this deficiency by teaching the discount price list regulates the cost of services/goods provided to the members by the medical service/good provider such that the members pay the medical service/good providers in paragraph 30. (page 6, lines 11-14). The cited portion of Lipton states:

On the other end of the continuum, there are true "carve-out PBMs," wherein employers, business coalitions, unions, and other clients contract separately with the PBM and the managed care organization or insurer (see Figure 1). Under these arrangements, the payers (insurers and health plans) and the PBM are financially independent of one another, that is, the drug premium is not funneled through the health plan or insurer, but rather is paid directly to the PBM. Theoretically it can be argued that, under this type of "true" carveout arrangement, there is a minimal probability of aligning financial/clinical incentives across pharmacy and medical services. Indeed, there is the potential for "perverse" incentives (i.e. incentives for the health plan and the PBM to shift costs to one another). Such untoward consequences could be mitigated if the benefits administrator is able to merge pharmacy and medical databases.

Applicant fails to see how this portion of Lipton teaches that “the discount price list regulates the cost of services/goods provided to the members by the medical service/good provider such that the members pay the published rate on the discount price list for the services/goods rendered by the medical service/good provider” as recited in claims 24-26 and 28-30.

Furthermore, applicant respectfully submits that Lipton merely discusses traditional pharmacy benefit management companies as they existed in 1999 (Abstract). In addition, the discount lists in Lipton are not provided to the individuals or members to which the services/goods are provided. Instead, the discounts described in Lipton are provided are between the PBM and the insurance company, pharmacies and/or the pharmaceutical companies (paragraph 7, lines 9-11). As a result, Lipton does not cure the deficiencies of Care Entrée.

The Office Action stated “Lipton fails to explicitly teach a method such that the members pay the medical service/good providers in-full directly for any services/goods rendered to the members based on the discount price list.” (page 7, lines 3-5). Applicant agrees.

The Office Action indicated that Goch cures this deficiency by teaching a method where the payment in full directly for any services/good rendered to the members based on the discount price list in paragraph 20 (page 7, lines 6-8). The cited portion of Goch states:

Care Entre also assists members who don't opt for the high-- deductible major-medical coverage in locating the lowest rates for hospital procedures. Members notify the plan for precertification, and an appropriate hospital is located. The member is asked to place \$1,000 into an escrow account or on a major credit card. "We don't want the message to be 'you can't afford it-too bad.' We do our best to uncover financial issues up front and resolve them before the procedure,” Collins said.

Applicant respectfully submits that placing \$1,000 into an escrow account or on a major credit card does not disclose, teach or suggest that “the members pay the published rate on the discount price list for the services/goods rendered by the medical service/good provider in-full directly to the medical service/good provider at the time the services/goods are rendered to the members by the medical service/provider thereby providing direct, immediate and full payment to the medical service/provider without any review by the health care plan or a third-party” as recited in claims 24-26 and 28-30. As a result, applicant respectfully submits that Goch does not cure all the stated deficiencies of Care Entrée and Lipton.

Moreover, applicant respectfully submits that it would not have been obvious to one of ordinary skill in the art at the time the invention was made to provide members with a medical service/good provider listing containing basic and premium listings for the

medical service/good providers because the insurance, HMO, PBM, and PPO industries teach against any sort of favoritism or competition among medical service/good providers offered directly to individuals within their networks. As a result, the modifications identified in the Office Action would “change the principle of operation of the prior art invention [Care Entrée and Lipton] being modified.” MPEP § 2143.01 (VI). As a result, “the teachings of the references are not sufficient to render the claims *prima facie* obvious.” MPEP § 2143.01 (VI).

In addition, applicant respectfully submits that Care Entrée, Lipton and Goch do not disclose teach or suggest providing a discount price list stored on the one or more storage devices and the medical service/good provider listing to the members via a communications interface communicably coupled to the server as recited in claims 24-26 and 28-30.

Applicant respectfully submits that Care Entrée, Lipton and Goch do not disclose teach or suggest “providing a discount price list stored on the one or more storage devices and the medical service/good provider listing to the members via a communications interface communicably coupled to the server, wherein the discount price list comprises published rates for the services/goods provided by each medical service/good provider within two or more geographic areas and each member can only access the published rates for the geographic area associated with the member” as recited in claims 24-26 and 28-30. In addition, applicant respectfully submits that it would not be obvious to combine the non-Internet based systems of Care Entrée, Lipton and Goch with Ferguson’s “software development tool”. For all these reasons, applicant respectfully submits that the cited references do not disclose, teach or suggest all the elements recited in claims 24-26 and 28-30. Accordingly, claims 24-26 and 28-30 are not obvious over the cited references and are, therefore, allowable under 35 U.S.C. § 103(a). Accordingly, applicant respectfully requests that the rejection of claims 24-26 and 28-30 be withdrawn.

Moreover, applicant respectfully submits that it would not have been obvious to one of ordinary skill in the art at the time the invention was made to provide members with a medical service/good provider listing containing basic and premium listings for the medical service/good providers such that “the discount price list regulates the cost of services/goods provided to the members by the medical service/good provider such that the members pay the published rate on the discount price list for the services/goods rendered by the medical service/good provider in-full directly to the medical service/good provider at the time the services/goods are rendered to the members by the medical service/provider thereby providing direct, immediate and full payment to the medical service/provider without any review by the health care plan or a third-party” as recited in claims 24-26 and 28-30 because the insurance, HMO, PBM, and PPO industries teach against any sort of favoritism or competition among medical service/good providers offered directly to individuals within their networks. Even the Care Entrée program negotiates the prices directly with the medical providers to get the same discounts as the insurance, HMO, PBM, and PPO entities. The Care Entrée program does not allow or

promote competition among medical providers. Finally, these programs require large amounts of staff, paperwork and oversight that are eliminated by the inventions recited in claims 24-26 and 28-30.

For at least the reasons stated above, applicant respectfully submits that Care Entrée, Lipton, Goch and Ferguson, either alone or in combination, do not disclose, teach or suggest every element recited in claims 24-26 and 28-30. Accordingly, applicant respectfully submits that claims 24-26 and 28-30 are not obvious over Care Entrée, Lipton, Goch and Ferguson and are, therefore, allowable under 35 U.S.C. § 103(a). Applicant respectfully requests that the rejection of claims 24-26 and 28-30 be withdrawn.

### ***Claims 2-9 and 12-23***

Applicant respectfully submits that claims 2-9 and 12-23 depend from claim 24, as amended, which is allowable for the reasons stated above, and further distinguish over the cited references. Claims 2-9 and 12-23 are, therefore, allowable under 35 U.S.C. § 103(a). Accordingly, applicant respectfully requests that any rejection of claims 2-9 and 12-23 be withdrawn.

With respect to claim 2, applicant respectfully submits that the cited references do not disclose, teach or suggest use of a variable discount price list that tracks a known standard service/good price list because the cited reference do no disclose, teach or suggest a discount price list for the reason described above in reference to claims 24-26 and 28-30. Moreover, applicant respectfully submits that it would not have been obvious to one of ordinary skill in the art at the time the invention was made for a network to provide members with a variable discount price list because the insurance, HMO, PBM, and PPO industries teach against any sort of competition among medical service/good providers offered directly to individuals within their networks. As a result, the modifications identified in the Office Action based on Ferguson would “change the principle of operation of the prior art invention [Care Entrée and Lipton] being modified.” MPEP § 2143.01 (VI). As a result, “the teachings of the references are not sufficient to render the claims prima facie obvious.” MPEP § 2143.01 (VI). Accordingly, claim 2 is not obvious over the cited references and are, therefore, allowable under 35 U.S.C. § 103(a). Accordingly, applicant respectfully requests that the rejection of claim 2 be withdrawn.

### ***Conclusion***

For the reasons set forth above, applicant respectfully requests reconsideration by the examiner and withdrawal of the rejections. Applicant submits that claims 2-9, 12-26 and 28-30 as amended, are fully patentable. Applicant respectfully requests that a timely Notice of Allowance be issued in this case. If the examiner has any questions or



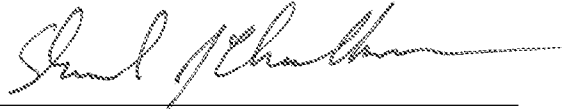
Appl. No. 10/620,718  
Amdt. dated Jul. 20, 2009  
Reply to Office action of Feb. 19, 2009

comments, or if further clarification is required, it is requested that the examiner contact the undersigned at the telephone number listed below.

Dated: July 20, 2009

Respectfully submitted,

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